

Message Text

UNCLASSIFIED

PAGE 01 HONG K 09278 180907Z
ACTION EB-08

INFO OCT-01 EA-12 ISO-00 CAB-05 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15
NSC-05 /059 W
-----068231 190033Z /13

R 180124Z JUL 78
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 1639

UNCLAS HONG KONG 9278

STATE FOR EA/PRCM AND EB/OA/AVP

E.O. 11652: N/A
TAGS: EAIR, HK, US
SUBJECT: CIVAIR: INSURANCE REQUIREMENTS FOR PRIVATE AIRCRAFT

REF: STATE 135132

1. CONGENOFF RECENTLY DISCUSSED REFTEL WITH HONG KONG ACTING CIVIL AVIATION DIRECTOR BRIAN KEEP AND HKCAD OFFICIALS NORMAN LATHAM AND VIC REYNAUD. KEEP RESTATED HKCAD RATIONALE FOR INCREASING THIRD-PARTY INSURANCE REQUIREMENTS FOR NON-SCHEDULED REVENUE FLIGHTS AND PROVIDED FOLLOWING WITH RESPECT OTHER CATEGORIES.

2. GENERAL AVIATION AIRCRAFT (NON-SCHEDULED NON-REVENUE FLIGHTS). IN ABSENCE OF SPECIFIC ORDINANCE, INSURANCE REQUIREMENT CURRENTLY DECIDED AD HOC BASED ON AIRCRAFT SIZE, WEIGHT, APPROACH AND OPERATOR'S FINANCIAL STRENGTH. KEEP STATED THAT IN DECIDING INDIVIDUAL CASES (AND AS A GENERAL PRINCIPLE) THE POTENTIAL LIABILITY IS THE DETERMINING FACTOR AND NOT THE CLASS OF TRANSPORTATION. ALSO THAT HKCAD IS PLANNING TO ISSUE IN NEAR FUTURE NEW REGULATION ON GENERAL AVIATION AIRCRAFT INSURANCE REQUIREMENTS INCLUDING PROBABLY INSURANCE MINIMA ACCORDING TO AIRCRAFT WEIGHT AND SIZE. (WE UNDERSTAND KAI TAK AVERAGES ONE GENERAL AVIATION FLIGHT MONTHLY USUALLY BY RELATIVELY LIGHT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 HONG K 09278 180907Z

AIRCRAFT ABLE TO MAKE TIGHT TURNS AND THEREBY ABLE TO AVOID FLYING OVER POPULATED AREAS.)

3. SCHEDULED REVENUE AIRCRAFT. KEEP SAID HKCAD CANNOT SPECIFY INSURANCE REQUIREMENTS FOR SCHEDULED CARRIERS SINCE ICAO CONVENTION MANDATES THAT THEY HAVE "SUFFICIENT" COVERAGE. HE ASSUMES SCHEDULED CARRIERS USING KAI TAK CARRY FAR MORE THAN US\$150 MILLION THIRD-

PARTY LIABILITY INSURANCE.

4. NON-SCHEDULED REVENUE AIRCRAFT. HKCAD OFFICIALS STATED A NOTAM SPECIFYING THE US\$150 MILLION REQUIREMENT AS OF MARCH 1, 1978 WAS DISTRIBUTED NOVEMBER 25, 1977 TO A LIST THAT INCLUDED THE FAA, CAB, THE US CENTRAL NOTAM CLEARING HOUSE AND ALL MAJOR AIRPORTS. THEY ALSO PROVIDED THE HONG KONG AIP PAGES WHICH SHOW THE NEW INSURANCE REQUIREMENTS (COPIES OF THE AIP PAGES HAVE BEEN POUCHED TO EB/OA/AVP). AS BACKGROUND, KEEP STATED THAT A 1977 ANALYSIS BY HKCAD OF LIABILITIES LIKELY TO ARISE FROM A CRASH AT KAI TAK (EXCLUDING LIGHT AIRCRAFT) YIELDED A MINIMUM OF US\$150 MILLION. HKG THEREFORE AMENDED CIVIL AVIATION ORDINANCES TO REQUIRE THIS AMOUNT FOR LARGE HEAVY AIRCRAFT USING KAI TAK (EXCEPT FOR ICAO CONVENTION SCHEDULED CARRIERS MENTIONED IN PARA 3). PRIOR TO INSTITUTING THE REQUIREMENT, HKCAD CANVASSED ALL REGULAR NON-SCHEDULED KAI TAK USERS (INCLUDING SEVERAL AMERICAN NON-SCHEDULED CARRIERS) WITH NONE QUESTIONING EITHER THE AMOUNT OF INSURANCE OR HKG'S PEROGATIVE TO REQUIRE IT. LATHAM RECALLED THAT ALL CARRIERS CONTACTED ALREADY CARRIED MORE THAN US\$150 MILLION IN THIRD-PARTY INSURANCE. KEEP STRESSED THAT THIS INSURANCE REQUIREMENT REFLECTED HKG CONCERN FOR THE MILLIONS OF PEOPLE WHO LIVE BENEATH THE KAI TAK APPROACHES (NOTING THAT FOLLOWING THE 1977 LIABILITY ANALYSIS HKG INCREASED ITS OWN KAI TAK AIRPORT THIRD-PARTY INSURANCE TO US\$300 MILLION PER OCCURRENCE). IN THE CIRCUMSTANCES HE FELT THE INSURANCE TO BE AT THE MINIMUM PRUDENTIAL LEVEL AND EXPRESSED HIS BELIEF THAT USG WOULD REACH SIMILAR

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 HONG K 09278 180907Z

CONCLUSION WERE KAI TAK LOCATED VIRTUALLY IN THE MIDDLE OF A DENSELY POPULATED AMERICAN CITY.

5. KEEP SAID HE WOULD WELCOME USG OBSERVATIONS ON ANY OR ALL OF THE FOREGOING.

SHOESMITH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, AIRCRAFT, AVIATION REGULATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978HONGK09278
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780295-0624
Format: TEL
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780749/aaaabpax.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 72d2f071-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 135132
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1974473
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: INSURANCE REQUIREMENTS FOR PRIVATE AIRCRAFT
TAGS: EAIR, HK, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/72d2f071-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014